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Libyans gave Billy extra loan

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WASHINGTON — Federal prosecutors ignored information that Billy Carter may have received \$420,000, not \$220,000, from the Libyan government and failed to investigate reports that he had discussed a machine-gun deal with renegade CIA agent Frank Terpil.

Carter visited Libya twice — in 1978 and 1979 — and publicly advocated Libyan and Arab causes while his older brother, Jimmy, was president. While looking into whether Billy Carter's involvement with Libya constituted acting as an agent for a foreign government, federal investigators determined that the Libyans had "loaned" Billy Carter \$200,000 and given him \$20,000 more to cover expenses related to a visit made by a Libyan delegation to the United States. The so-called loans later became a media field-day and brought embarrassment to the Carter White House.

But there are fresh reports that Billy Carter got much more from the Libyans. The Sunday News Journal was told last week that the National Security Agency knew in May 1980 that Carter had received an additional \$200,000 from the Libyan government, but that proof of that payment was withheld from investigators on the grounds of national security.

Carter was under investigation for failure to register as a Libyan agent amid allegations that he had attempted to influence the Carter administration to lift a ban against

selling transport aircraft and other military hardware to Libya. (It is illegal to lobby for a foreign power without registering with the Department of Justice.)

The investigation, by the Senate and the Justice Department, ended last year. The ban on military exports to Libya was never lifted, and Carter by that time had agreed to register as a foreign agent, maintaining all along that the money from Libya was a loan.

The information that Carter was also involved with Terpil came last week from Justice Department documents. The department did nothing to determine the extent of Carter's dealings with Terpil, and prosecutors in the Terpil case say that his link with Carter was never adequately explored.

Carter met Terpil at a dinner — and was photographed with him watching a parade — on his second visit to Libya in 1979. A few months later, in January 1980, Carter told a Justice Department official and an FBI agent that Terpil had recently contacted him about getting lots of machine guns for Libya.

The Justice Department official, Joel Lisker, was interviewing Carter as part of the investigation of Carter's failure to register as a Libyan agent.

Lisker, now chief counsel for the Senate subcommittee on internal security and terrorism, said he was "very much aware" of the investigation into Terpil and another CIA renegade agent, Edwin P. Wilson, and believed that the Carter's statement was important enough to call him back to for more details.

But Lisker said that when he did call back, Carter denied making his earlier statements about Terpil.

Lisker sent the reports to Assistant U.S. Attorney E. Lawrence Barcella Jr., the key prosecutor looking into the activities of Wilson and Terpil, activities that include gun-running and training and recruiting terrorists for Libya.

Barcella says he didn't follow up on the memos because he thought that it was Lisker's responsibility.

Lisker said "it is standard proce-

dures to refer information like this to the prosecutors working the case and that is what we did."

Details of Lisker's meeting with Carter and Carter's statements about Terpil are part of a report filed by FBI Agent Richard Fugate and Lisker obtained by the Sunday News Journal.

Carter, reached late last week in California, confirmed that he had met Terpil in Libya, but vehemently denied ever telling Lisker anything about machine guns.

Using expletives, Carter called Lisker, now a lawyer for a Senate committee, "probably... one of the biggest liars I have ever met in my life. That memo was written 14 or 15 days after he questioned me,

New findings reveal that probers over- looked new loan and Carter's talks with CIA renegade Terpil

taking no notes. That document that Lisker wrote is probably the biggest bunch of s--- ever printed by a government official."

Carter said his lawyer had instructed him not to say anything about the gifts or loans he got from Libya.

Through reliable sources at the highest level of the U.S. intelligence community, the Sunday News Journal has learned that the National Security Agency, while monitoring communications involving Terpil and Wilson, found out about the second \$200,000 check Carter had received from the Libyans, a check written on a London bank.

Lisker said that he, too, had heard about the second check but that this and other details of the Carter case were kept from investigators because the CIA and the National Security Agency claimed it could compromise intelligence sources.

The Sunday News Journal has learned that Bobby Ray Inman, then head of the National Security

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